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## ADS Chapter 542

# Planning and Budgeting for Information Technology (IT) Resources

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Functional Series 500 – Management Services  
 ADS 542 - Planning and Budgeting for Information Technology (IT) Resources  
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*This chapter has been modified in its entirety*

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## Functional Series 500 – Management Services

### ADS Chapter 542 – Planning and Budgeting for Information Technology (IT) Resources

#### 542.1 OVERVIEW

Effective Date: 01/25/2010

This chapter provides the overall framework and primary responsibilities for the planning and budgeting of USAID's centrally funded information management and information technology (IT) resources. These IT resources include steady state (ongoing IT services); new projects (see [ADS 577, Information Technology Capital Planning and Investment Control](#) for specific policy directives and required procedures for the review and budgeting of new IT projects); and technical implementation of program-related IT that attaches to the Agency's network (see [ADS 546, Acquisition of Federal Information Technology \(IT\) Resources](#) for specific policy directives and required procedures related to the purchase of network connectivity-related IT).

USAID's IT planning and budgeting process encompasses the proposed IT project review, budget formulation and prioritization, budget presentation and submission to the Bureau for Management, Office for Management Policy, Budget and Performance (M/MPBP), and execution of the budget based on Congressional funding.

This chapter provides executive sponsors, program planners and implementers with an understanding of the concepts behind the planning and budgeting process so that the Agency's essential IT services and the IT component of foreign assistance projects may further the Agency's mission, goals, and objectives.

#### 542.2 PRIMARY RESPONSIBILITIES

Effective Date: 01/25/2010

- a. The **Administrator** has ultimate approval authority for all USAID IT budget requests. The Administrator receives recommendations and advice on budget submissions from the Business Transformation Executive Committee (BTEC) and the Chief Information Officer (CIO). The Administrator is responsible under the [Clinger-Cohen Act](#) for selecting, managing, and evaluating investments in information technology.
- b. The **Office of Management and Budget (OMB)** is responsible for preparing Federal guidance on the preparation of agency-level IT budgets, consulting agency staff on IT budget criteria and scope, and reviewing and presenting agency IT budgets to Congress.
- c. The **Business Transformation Executive Committee (BTEC)** provides Agency-wide leadership for investments to reform USAID business systems. Members include senior leaders from USAID operating units. The BTEC serves as the Agency's

Capital Planning and Investment Control Board, ensuring that information technology investments are aligned with the Agency's priorities.

**d.** The **Information Technology Steering Subcommittee (ITSS)** is chartered by the BTEC and is responsible for evaluating and ranking investment business cases and making portfolio recommendations to the BTEC for approval.

**e.** The **Bureau for Management, Office of Management Policy, Budget and Performance (M/MPBP)** is the USAID coordinator for IT budget formulation and execution and manages interactions with OMB and the Department of State (DoS) regarding the IT budget.

**f.** The **Chief Information Officer (CIO)** serves in a leadership role with overall responsibility and authority for formulating, presenting, and executing the Agency's centrally funded IT budget. The CIO receives recommendations for budget formulation based on investment rankings from the BTEC. The CIO is responsible for development of the Agency's enterprise architecture (EA) and Strategic Plan which are used to guide IT budget planning. Additionally, the CIO assesses the adequacy of Agency budget resources to support IT functions in Missions.

### **542.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES**

Effective Date: 01/25/2010

This section describes components used to develop the Agency's centrally funded IT budget.

#### **542.3.1 Strategic Plan**

Effective Date: 01/25/2010

The IT Strategic Plan is a multi-year guide for directing Agency IT efforts. The strategic planning process supports the Agency's current and future program needs and business processes, and includes participation from the Agency's Bureaus/Independent Offices (B/IOs) and Missions.

The IT Strategic Plan addresses information resources management (IRM) direction, planning assumptions, constraints, and initiatives, and describes IRM activities the Agency has undertaken since the previous IT Strategic Plan.

Generation of the IT Strategic Plan is the responsibility of the Office of the CIO.

The Agency's strategic plan is the cornerstone for formulating the Agency-wide IT budget submission to the Office of Management and Budget (OMB). As such, the Strategic Plan outlines investment areas needed to accomplish the Agency's goals and objectives. These investment areas guide development of investment packages for inclusion in the IT budget.

### **542.3.2 Information Technology Resources**

Effective Date: 01/25/2010

The Agency's central information resource management budget must be limited to IT resources under the use and control of the Federal Government, not by a host country. (See [577maf, Table 2, The CPIC Process](#))

These IT resources include the following central investment budget categories:

- a. IT Cost Center Budget. The IT Cost Center Budget is the fiscal, ongoing, operational budget (steady state) for the Agency.
- b. IT Capital Investment Fund. The Capital Investment Fund (CIF) funds the Agency's IT development, modernization, and enhancements (DME) as authorized by BTEC and the Administrator.
- c. Program Funded IT investments. These are used for USAID IT operations within Missions and specially funded projects within AID Washington.

### **542.3.3 Budgeting for IT Resources**

Effective Date: 01/25/2010

The IT Strategic Plan forms the basis for the Agency's budget request to OMB for Agency-wide IT resources.

All operating units, executive sponsors, and IT project managers must submit their budget requests to the CIO, referring to specific activities detailed in the IT Strategic Plan and the Agency's enterprise architecture. These requests must be in line with the Annual Budget Submission (ABS) guidance provided by M/MPBP and M/OCIO. (See [577maa, Table 1, Investment Funding Category Documentation and Review Requirements](#).)

Each operating unit is required to prepare and submit to the OCIO its budget requirements for centrally-funded IT resources (IT Cost Center budget and IT Capital Investment Fund) and indicate when it intends to initiate procurement action once a budget allocation is made. The Agency requires coordination among operating units in preparing and submitting budget data where one unit procures IT resources for use by other operating units. M/OCIO may serve in a review capacity for all IT resources irrespective of funding means.

The IT budget will consist of two investment components: (1) ongoing operations for steady state IT services; and (2) development, modernization, or enhancement (DME) of an IT function.

The budget component of DME investments will be considered and ranked by the BTEC to guide the CIO in development of the Agency IT budget.

Agency IT managers will develop operational plans for the ongoing operations budget. Agency IT managers/executive sponsors must submit these investments to the CIO for consideration and inclusion in the steady state component of the Agency IT budget.

#### **542.3.4 Agency Appropriation**

Effective Date: 01/25/2010

Once OMB approves the Agency's appropriation, M/MPBP will notify Agency organizations of authorized allocation levels against the budget. Operating units are then empowered to initiate procurement actions but only for IT resources that have been reviewed and approved as part of the budget process and are consistent with requirements of other governing ADS IT chapters.

#### **542.3.5 Agency Compliance**

Effective Date: 01/25/2010

Operating units' compliance with authorized allocation levels against the budget must be monitored by OCIO review of procurement documents for IT resources (as outlined in IT ADS Chapters [518](#), [541-548](#), [552](#), and [577](#)) and periodic CIO review of units' IT acquisitions.

### **542.4 MANDATORY REFERENCES**

#### **542.4.1 External Mandatory References**

Effective Date: 01/25/2010

- a. [Capital Programming Guide: Supplement to Part 7 of Circular No. A-11](#)
- b. [CFO Act of 1990 \(31 U.S.C. 902a5\)](#)
- c. [Clinger-Cohen Act of 1996 \(CCA\)](#)
- d. [Federal Accounting Standards Advisory Board \(FASAB\)](#)
- e. [OMB Circular A-11, Preparation and Submission of Budget Estimates](#)
- f. [OMB Circular A-130, Management of Federal Information Resources](#)

#### **542.4.2 Internal Mandatory References**

Effective Date: 01/25/2010

- a. [ADS 546, Acquisition of Federal Information\ Technology \(IT\) Resources](#)
- b. [ADS 577, Information Technology Capital Planning and Investment Control](#)

c. [ADS 577maa. Table 1, Investment Funding Category Documentation and Review Requirements](#)

d. [ADS 577maf, Table 2, The CPIC Process](#)

#### 542.5 ADDITIONAL HELP

Effective Date: 01/25/2010

a. [CIO Council Web site](#)

b. [GAO Executive Guide, Information Technology Investment Management: A Framework for Assessing and Improving Process Maturity, GAO-04-394G, March 2004.](#)

c. [USAID Business Transformation Executive Committee \(BTEC\) Web site](#)

#### 542.6 DEFINITIONS

Effective Date: 01/25/2010

The terms and definitions listed below have been incorporated into the ADS Glossary. See the [ADS Glossary](#) for all ADS terms and definitions.

##### **enterprise architecture (EA)**

Enterprise architecture (EA) is the explicit description and documentation of the current and desired relationships among business and management processes and information technology. It describes the "current architecture" and "target architecture" to include the rules and standards and systems life cycle information to optimize and maintain the environment which the Agency wishes to create and maintain by managing its IT portfolio. The EA must also provide a strategy that will enable the Agency to support its current state and also act as the roadmap for transition to its target environment. These transition processes will include the Agency 's capital planning and investment control processes, Agency EA planning processes, and Agency systems life cycle methodologies. The EA will define principles and goals and set direction on such issues as the promotion of interoperability, open systems, public access, compliance with the Government Paper Elimination Act (GPEA), end user satisfaction, and IT security. (Chapter 542)

##### **information technology (IT)**

(A) The term information technology, with respect to an executive agency means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency. For purposes of the preceding sentence, equipment is used by an executive agency if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency which (i) requires the use of such equipment, or (ii) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(B) The term information technology includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(C) Notwithstanding subparagraphs (A) and (B), the term information technology does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract. (Source: Clinger-Cohen Act) (Chapters [518](#), [541-548](#), [552](#), [577](#))

**USAID IT investments**

IT initiatives or projects funded at Missions or USAID/W, regardless of funding source, that are owned or leased by USAID and operated by USAID or by contractors for Agency operations. (Chapters [548](#), [577](#)).

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